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UA3/9/5 Faculty-Staff Convocation

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FACULTY-STAFF CONVOCATION

August 13, 2002

WKU Slide on Screen.

Good morning. Welcome back to those of you who have been away for the summer. Those of you who have been on campus for the summer know that we have had a hot, dry summer with a lot of campus construction, but the dust is beginning to settle on some of our projects, which I'll get into more in a few minutes. I want to offer a hearty welcome to some 102 new faculty and staff. I know you have been busy in recent days with your own orientation. I believe you have already found that you are becoming part of a dynamic and highly motivated university family—a university family focused on progress and achievement, a university family undaunted by state funding inadequacies or other challenges which only temporarily divert our focus.

On a personal note, I want to thank many of you for your kind words of encouragement when my summer itinerary was rudely interrupted by a belligerent appendix. It's gone, I've recovered, and all is well. Thanks for the kind cards and letters! Introduce Mary Ellen Miller, Howard Bailey, Robert Dietle, and Elizabeth Paris. Other Regents?

I did take some time in recent weeks to reflect on the last five years, particularly as I approach the five-year mark in my term as President. It was on September 12, 1997, that I accepted the Board's challenge to help lead a transformation for Western; to help Western become more assertive in addressing our challenges, and to move Western from a university with a regional identity to a university with a national perspective.

I want to touch on 12 points this morning, some of which illustrate our progress but some of which also lead to a discussion of issues we simply must address this coming year. I'll do my best to try to weave some things past, some things present, and some things future into the thoughts I share with you over the next few minutes.

Budget

Let me first talk about our budget. *SLIDE 1.* Our university budget has grown from \$130 million to \$193 million over the last five years. This budget growth includes an increase of \$33 million for academics over this period of time. Now I realize that money in and of itself is not an accurate predictor of success, but I also recognize that success is extremely difficult to achieve without financial capacity. Some of this budgetary growth is a result of increased funding from Frankfort, particularly for incentive funds, two Programs of Distinction, and other categorical funding enhancements as directed by the Council on Postsecondary Education. Not much of it, however, has come for increases in our base-operating budget. Unfortunately, the 02-03 budget was to be a payoff year for us—a year of significant funding to compensate us for significant enrollment growth. The economy, however, weakened, and we have been left to create our own sources of revenue. That's one of the reasons why I am pleased that we were able to achieve significant growth in our budget from last year to this year, particularly with no growth in state funding and a \$1.5 million budget cut. Our budgetary growth is primarily a result

of growth in tuition revenue, private gifts, sponsored programs, and some very astute business practices within our auxiliary enterprises.

I am also pleased that most of the new revenues in the current fiscal year budget have been devoted to compensation-related needs including salaries, market adjustments, gender adjustments, health insurance, and new faculty positions. We do anticipate \$4.3 million in additional state revenue for the fiscal year beginning July 1, 2003, but that is a long way off. There will be considerable political and economic maneuvering between now and then. Our efforts in Frankfort will be devoted to keeping that state revenue enhancement intact. *Remove Slide 1.*

Slide 2. As I indicated to you in my last campus-wide E-mail in May, I am proud of the manner in which we have been able to fund an average four-percent salary increase this year, particularly in light of the fact that at least three universities in the state have no recurring salary increase and only one institution had a slightly higher increase than ours. When you factor in the market adjustments to be allocated this fall, increased university contributions to health insurance premiums, and other compensation-related improvements, we ended up with the best total compensation package among the eight universities in Kentucky. My goal for next year is to continue that trend. *Remove Slide 2.*

Slide 3. I am particularly pleased with the work of the University Benefits Committee and its analysis and ongoing care of our self-insurance program. It is good to begin an academic year with both a solvent program and an increase in the University contribution to health care premiums. To have moved from \$115 per employee to \$341 per employee over the last few years is encouraging. *Remove Slide 3.*

Slide 3A. The amount of funding for health insurance is a significant part of the University budget. We are now spending over \$4,000 per year for each employee for health insurance. It is my hope that we can find a way to continue to make this a priority for the next few years as we have been able to do in recent years.

Enrollment Growth

Slide 4. In 1997, Governor Patton challenged the universities in Kentucky to increase the number of Kentucky residents enrolled in postsecondary education. Enrollment growth was a major tenant in the higher education reform movement approved by the General Assembly in the spring of 1998. Western is setting the pace for enrollment growth among the universities in Kentucky. This growth is actually being achieved through the efforts of everyone in this auditorium, including a talented and hard-working Admissions staff, and so many others who affect the character of our campus and create the positive messages emanating from this campus every day. Some say it is the strong reputation of our academic programs, some say it is a great value for a low tuition, some say it is because of improvements to our residence halls, some say it is our beautiful campus, some say it is the media coverage of some large gifts, some say it is because of a winning basketball team. I say it is all of these things. *Remove Slide 4.*

Slide 5. No university in the Commonwealth has grown as much as Western has grown since 1997. Our raw numbers and our percent increases are dramatically greater than any of our

peer institutions. We are, indeed, becoming the university of choice for a very large segment of Kentucky, middle Tennessee, and southern Indiana. Because of our increased scholarship capacity, I believe we are also becoming the university of choice for many of the best students. I find encouragement in our enrollment growth and also the growth of our applicant pool. Interest in Western is growing year by year. *Remove Slide 5.*

Return to WKU Slide on Screen. But growth has presented for us a good news-bad news scenario. The good news is we're growing; we're creating new revenue from tuition. Young people and non-traditional aged students want a Western education. The bad news is at the very time that we need increased state revenues to fund our enrollment growth, the state is unable to deliver. Most of our growth is unfunded in the state budgeting process. According to soon-to-be outdated CPE data, we are underfunded by approximately \$22 million in the higher education funding model. We were projected in the CPE recommended budget last January to receive \$5.5 million per year in new recurring funding in each of the next four years. Because of limited state resources, that \$22 million was whittled down to \$4.3 million which we are targeted to receive next year, the second year of the state's current biennial budget. What looms in the 04-06 biennial budget is anybody's guess.

To continue the good news-bad news analogy, I must discuss budget cuts for a moment. Last year, we had to cut \$1.1 million from our recurring budget and an additional \$400,000 on a one-time basis. We covered that cut by claiming a significant portion of our new revenue from tuition which came as a result of a growing enrollment. This meant two things. One, we covered our budget cut without having to cut anyone's departmental budget. It also meant not only did we not get state revenues to help fund our enrollment growth, but we were unable to devote much of the revenue we generated ourselves to fund our enrollment growth.

Looking ahead, I want you to be fully aware that we may face the same situation this year. Our enrollment will be up, perhaps dramatically, this fall. You saw the slide. It will be up at least another 1,000 students. It will produce more revenue than was budgeted. We must, however, tell the Council on Postsecondary Education on September 22 how we will find three percent of our budget to cut and how painful it will be. Therefore, I intend to freeze the first \$2 million in new added revenue from this fall's enrollment growth in the event that state revenues continue to fall short, and we are asked to cut our budget in order to help the state achieve a balanced budget. Any speculation as to the amount of a possible budget cut is just that—speculation, but until we get more specific state revenue projections over the next several months, we simply must maintain the discipline to freeze three percent of state appropriations so that we can avoid asking you to cut your budgets. This is an economic tradeoff. I know it is difficult to absorb more students without significant increases in your budgets, but I would rather hold our budgets constant and meet the state budget cuts with our revenue growth than to funnel our revenue growth to your budgets, then come back and cut your budgets in response to a state mandate. Please be reminded that a much worse scenario would be no growth or a decline in enrollment which would cause severe budgetary stress throughout our campus.

We are addressing enrollment growth pressures by re-assessing all uses of classroom space. We are switching classroom assignments to match large classes with larger classrooms and small classes with smaller space. We will also begin greater utilization of evening and

weekend classes. We will deal with the challenges of unfunded growth in the best ways we can identify. I have been pleased and impressed by the work of our deans and department heads in addressing these challenges in recent weeks. All suggestions are welcome. Patience and a spirit of cooperation will be expected throughout the campus.

Community College

One of the areas that has received considerable attention over the last few months is our community college. We will have well over 2,000 students in the Community College this fall and no more usable space on the South Campus. Consequently, we will collaborate with the Kentucky Community and Technical College System to share some space at the Bowling Green Technical College campus on Morgantown Road. We will continue to study additional collaboration options with KCTCS while nurturing our community college. We also want to properly align our health-related programs in the community college with the new College of Health and Human Services which we are in the process of creating.

College of Health and Human Services

We will ask the Board of Regents in just a few days to take action to create a College of Health and Human Services, and we will immediately begin a search for the dean for that college. Through considerable analysis, we have studied several majors in the Gordon Ford College of Business, the College of Education and Behavioral Sciences, and Ogden College of Science and Engineering, which will be more compatibly grouped in a new cohesive college. We are, therefore, bringing like majors together in the health professions and in the human service sectors to create what I believe will be an exciting new undergraduate college. This new college will better allow us to respond to this region of Kentucky and some rather desperate demands for health care and human service professionals.

Faculty Engagement and Continuing Education

We will also be pursuing in the coming year the creation of a university structure, which has yet to be determined, but which will focus on expanded outreach and community engagement for our faculty and staff and on an enhanced continuing education program. Western has long been engaged in modest attempts at a continuing education program, but we have yet to achieve our full potential. Continuing education can be an exciting programming and revenue source for our university. More importantly, it is critical that we provide ongoing educational opportunities for not only our own students, faculty, and staff but for populations in this region and beyond.

Slide 6. Asynchronous learning and distance education will be a key part of whatever new structure we create. Western is leading the way in distance learning in Kentucky. We continue to have the largest number of courses and the largest number of students enrolled in distance education programs of any of the universities in the state. We are setting the pace with the Kentucky Virtual University, and we intend to continue to do so, but we want to do so in a thoughtful manner which fully engages our university campus with the broader community and provides meaningful continuing education for all of our constituents. Further definition for this emerging structure will be defined over the course of the coming year. *Remove Slide 6. Return to WKU Slide.*

Economic Development

One important part of this new structure will be the manner in which we become more focused on economic development initiatives through the Knicely Center for Economic Development but also through numerous faculty initiatives which contribute to economic development. We simply must embrace the mantle as the economic development engine for this region of Kentucky. Many of our faculty are already engaged in research or consulting or civic leadership roles. So many other faculty are simply engaged in their disciplines which by their very nature are designed to solve problems, create jobs, and stimulate economic growth. For example, many of our Applied Science Centers in our Program of Distinction are addressing real problems which, when solved, create jobs and improve quality of life. Exciting economic development initiatives are emanating from programs in biodiversity, biotechnology, water quality, materials science, applied physics, cave and karst studies, several health-related areas, and in management information systems, among many others. We are contributing to economic development in untold ways. But, through a coordinated effort, we want to better track our contributions and focus our energies.

Perhaps one of the most unusual and compelling economic development initiatives currently under way is our emerging Center for Research and Development, though I hope our vocabulary has changed as to how we think of the property, which most of you will remember as the old Bowling Green Mall. It has been somewhat slow going as we have had to work with the state to make some of the needed physical improvements, but we are negotiating with several emerging tech-related companies to locate in the Research and Development portion of the center. We are also pursuing a federal earmark to match TVA funds for a business incubator, and we are working with the Economic Development Cabinet to get the Innovation and Commercialization Center under way. The Materials Characterization Lab, operated by our Chemistry faculty, and our Applied Physics Institute will be moving into space in this center as soon as possible. We will actively encourage faculty to assist in the start-up of new companies especially with our students. Such start-ups should be encouraged to locate at the Center.

I believe most of you know, but in the event that you are not aware, I want to reiterate our strategy for this entire project. We have divided the acreage on this 27-acre plot of land into public and private uses. The public uses are confined to our New Economy research and development initiatives. This is occurring in most of the space occupied by the existing structure. A modest amount of the existing structure is occupied by private commercial leases which are producing revenue to help cover overhead costs associated with the Center for Research and Development. When we brokered the deal on the property, we purposely created private ownership through the WKU Foundation for the land which borders Nashville Road and Campbell Lane. These out parcels are being sold or leased to private enterprises—banks, restaurants, etc. The revenue from those sales and leases will go into an account in the WKU Foundation, the income from which will be restricted to meeting the operating needs of the Center for Research and Development. Our intention is to avoid a scenario where this project calls on the university budget in any way. We want to create revenue opportunities to cover expenses of the Center which make the public and private projects completely self-supporting.

At the same time, we are also commercially developing properties on the other side of Campbell Lane and along Nashville Road between Campbell Lane and our South Campus.

These revenues will be used to help relocate the Applied Physics Institute and strengthen the University's reserve fund. Most of these business transactions will unfold in the coming year.

Extended Campus Programs

While we are talking about off-campus activity, I think most of you are aware that over the course of the last year we dedicated two buildings which are major elements in our extended campus programming. The South Regional Postsecondary Education Center in Glasgow was dedicated in January. Our enrollment now exceeds 1,600 students from 11 counties. Most of these students are WKU students, but we do enjoy a productive partnership with KCTCS, mainly with technical programs on the Glasgow Campus. In April, we joined KCTCS in dedicating the Central Regional Postsecondary Education Center in Elizabethtown. This is principally a KCTCS building, but it has provided new and much-improved quarters for our 600 students in Elizabethtown and a point of administration for our programs at Ft. Knox. The new WKU space in both communities has provided a huge boost for our programs in those areas of the state.

We continue to be frustrated, however, with limited progress for our programs in Owensboro. While we have 650 students enrolled in Owensboro, we feel like we could have a much larger enrollment and be of greater impact to workforce needs and economic development in that region. We are working through various options for our Owensboro activities. The Longfellow Building we have occupied for several years is a 1931 elementary school which poses great difficulties for our technologically-related curricula. The city schools would like to reclaim that building. Therefore, we are looking at options over the next couple of years until we can secure state funding for a \$24 million Regional Postsecondary Education Center which we would share with KCTCS, specifically Owensboro Community College, the technical school program in Daviess County, and the two private institutions in Owensboro. There was a lot written over the summer about Western expanding its programs and potentially moving into a church which came onto the market a few months ago. We have ruled out trying to buy that real estate and have focused our efforts on a smooth transition from the Longfellow Building to the Owensboro Community College Campus. It is important that everyone know that our ultimate objective is to partner with KCTCS in a WKU-Owensboro Community College building. Anything we do between now and the realization of that objective is simply temporary in nature and a bridge to get us into that proposed structure.

Slide 7

Sponsored Programs

Finally, on academic matters, I must continue to brag on our faculty for your impressive productivity in sponsored programs. The academic reputation of Western is growing because the academic productivity of our faculty is growing. The faculty drives this progress, not the President. This growth in sponsored programs to \$24.5 million, a 113 percent increase over the last five years, is perhaps as much as anything we are doing setting us apart from most comprehensive universities and certainly the other comprehensive universities in Kentucky. The manner in which our faculty has risen to the challenge in applied research and the manner in which you are pursuing extramural funding for your scholarship are both impressive and encouraging. You are finding more ways to fund your scholarly activity. In most cases, your sponsored activity is applied and meaningful in improving not only our own curriculum but also numerous quality of life indicators throughout our region of Kentucky. As impressive to me as

the growth in numbers is the manner in which our sponsored activity cuts across each of our undergraduate colleges and our graduate programs. While it is heavily focused on sciences and in education, we also have pockets of highly productive faculty in business, the humanities, and health-related fields. My compliments to our staff in the Office of Sponsored Programs. They are the facilitators. My greatest appreciation, however, goes to the faculty who make this kind of progress possible. To show our support of contracts and grants proposal submissions, we are budgeting approximately \$114,000 for the research incentive fund, and faculty have added an additional \$80,000 in matching incentive funds. To further stimulate sponsored support, I will soon be appointing a Technology Transfer and Commercialization Advisory Committee to create and recommend policy and procedures related to further recruitment of graduate students, appointments of new faculty to post-doctorate activity, industrial collaboration, sabbaticals, and so on. These activities, more than anything we are doing, are changing our mission and increasing our value to our region. *Remove Slide 7.*

Slide 8

Private Support

It is impossible to talk about external support without turning our attention to our impressive growth in private support and to our capital campaign. Anytime a University attempts to build a development program, it is under the gun to produce. I have seen development offices get new positions and budgetary support only to maintain the status quo in gift support. Not here. A large cadre of volunteers has worked tirelessly with our talented development staff to make dramatic improvement in our private gift support over the last five years. You can see the growth of our endowment from \$20.6 million to \$45.6 million since 1997. Our endowment, like all others, has suffered in the recent market decline. Fortunately, however, new gifts have outpaced declining market share, and our total endowment has continued to grow. *Remove Slide 8.*

Slide 9. More specifically, you can see the number of endowed faculty positions which have been established during this period as a result of the growth in the University's endowment. These professorships and chairs are spread throughout our baccalaureate programs. Growth in endowed faculty positions is among many measurements which have come about because of the success of the *Investing in the Spirit* Capital Campaign which we launched on July 1, 1998. *Remove Slide 9.*

Slide 10. As you know, when we publicly announced the campaign in April 2000, we announced a goal of \$78 million to be achieved by June 30, 2003. We also announced on May 10, just a few months ago, that the \$78 million goal had been achieved and that a new goal of \$90 million was set for the last year of the campaign. We are now slightly over \$80 million and marching toward that new goal. But it will be a significant challenge, particularly in this economy. We must raise \$10 million in ten months. But we will be there by June 30. We expect about a year from now, when all the numbers are tabulated, to have a grand victory celebration marking the successful end of Western's first capital campaign.

Among the hallmarks thus far of this campaign are more than 20 gifts of \$1 million or more, 19 new professorships and chairs, and a total thus far of \$21.5 million raised for academic scholarships. A range of other support programs is enhancing specific activities throughout our

campus. There are, however, several unmet needs which we hope to address in the final year of this campaign, including additional endowed faculty positions, funds for cultural enhancement, library support, and technology. *Remove Slide 10.*

Slide 11. Most notable, however, in this campaign, is the growth in annual deposits from gifts, largely because of multi-year commitments to this campaign. In FY 1997, Western deposited \$3,045,724 in gifts. In FY 2002, we deposited \$12,324,882. That is more than 400 percent growth in five years. Most of that is cash and securities for faculty positions and scholarships.

I must continue to remind you, however, that capital campaigns have very little effect on a university's operating budget or its ongoing costs related to compensation, utilities, equipment, etc. Campaigns are about major gifts which endow a professorship, create a scholarship, help build a building, or support a specific academic program all at the discretion of the donor. They allow the creation of excellence in donor-selected areas. Our challenge is to match university priorities with donor interest. When this campaign is complete, its success will depend on several hundred specific major gifts which enhance several hundred specific areas across our campus.

Our challenge to cover operating expenses for day-to-day operations will continue to be addressed in ways unrelated to this campaign. An important outcome, however, of this campaign is a new-found institutional confidence. We are learning to be ambitious and successful through private support, and we are distinguishing ourselves from the other comprehensive universities in Kentucky. The confidence we gain from building an endowment is as important as the financial solvency it creates for future generations. *Remove Slide 11.*

Slide 11A

Bond Rating

I've talked about several things this morning, but let me bring a few of them together in a way which most of us won't feel directly, but indirectly will affect all of our work at Western. Moody's, the bond-rating agency, has raised the University's debt rating from A3 to A2. This will lower the cost of any money the University may need to borrow in the foreseeable future. We were one of six universities in the U.S. which received a higher rating in June. The reasons cited by Moody's were significant growth in enrollment, a consistently balanced budget, and a successful capital campaign. The bond rating agencies see Western as a financially sound, thriving institution which is attractive to students and to philanthropic investors. *Remove Slide 11A.*

Campus Construction

Slide 12.

Finally, I have saved the matters of campus construction and parking for last. Never have so many people worked so hard to create such campus disruption as is the case on our campus today. I told a student group last spring that construction fences and cranes are beautiful sights. I think they understood my point, but I, too, get little uneasy with the number of fences and cranes we find on our campus today. I encourage you to join me in taking a long-term view of

what these improvements will mean to our campus. We haven't built a new academic building for nearly 30 years. We have two under way. Media and Technology Hall will be finished next spring. *Remove Slide 12.*

Slide 13. We break ground this week on the Complex for Engineering and Biological Sciences, which will be located between Chestnut and State Streets on the Ogden Campus. It will house our new programs in electrical, mechanical, and civil engineering, plus biology and biotechnology. The combined cost of these two academic buildings is nearly \$40 million. *Remove Slide 13.*

Slide 14. Approximately \$40 million is being invested in our residence halls. I am so pleased to see Northeast and Southwest Halls opening up this week. Take a tour of these new residence halls on August 29. Bates-Runner Hall will be under construction all year. Bemis Lawrence Hall will be under construction throughout the fall semester. In the meantime, all our residence halls are being modernized and are getting safety enhancements, cosmetic improvements, and new furniture. More complete renovations are also targeted for Barnes-Campbell Hall in the spring. These residence hall improvements are a major reason why our applicant pool is growing so dramatically. Perspective students get excited about a high quality of campus life, and the word has gotten around that Western is in the process of creating the best living facilities to be found on any university campus in the state. *Remove Slide 14. Slide 15.*

\$3.5 million will be invested in our dining halls over the coming year, too. This is made possible through a new contract with Aramark. Such contracts will also help us create a \$10 million renovation to the Downing University Center over the next few years. *Remove Slide 15. Slide 16.* If you have been away for a few months, I'm sure you were surprised to see dramatic changes in Diddle Arena. A lot of work has taken place in a short period of time. Much of the interior work will be completed by the opening of basketball season this fall. The exterior work will be completed before the end of basketball season, leaving only the actual seating and flooring to be replaced at the end of this coming basketball season. *Remove Slide 16.*

Slide 17. By next summer, the entire center core of the campus will have been transformed. The transformation of North, South, East, and West is complete. Bates-Runner will be completed. The Guthrie Tower is up. Media and Technology Hall will be finished. Diddle Arena will be finished. Downing University Center will be improved. There won't be a prospective student step foot on this campus who will not be swept away by the improvements made in this area of campus. I trust that you, too, will find a more pleasant place to work and live because of these improvements.

And what about the Guthrie Tower! This is a project we could have never done ourselves with our resources. Through the generosity of the Guthrie Family, we now have a marvelous architectural amenity. Eventually, this tower will have the full 46-bell carillon which will, in time, provide a pleasant cultural element to our life at Western. With four seven-foot clocks, you can tell your students to forget about not knowing what time it is as they walk in late for class! With all of its architectural value, however, we must remember the reason it was built—a memorial to Robert Guthrie, a soldier killed in Korea, and all Western men and women killed in military service to our nation.

All totaled, at last count, we have \$136 million in construction projects either under way or soon to be under way. These investments are evenly spread between academic, student life, and athletic facilities. This includes some \$5 million being devoted to deferred maintenance over the coming two years.

I am also proud of the improvements being made to our grounds. We have long been known for our beautiful campus with green space, trees, and plant material. It was clear to me in 1997, however, that considerable deterioration had been allowed to occur, and we were on the verge of losing the very character which had historically made Western distinctive. Our staff in facilities has worked hard, however, to restore our grounds with tree replacement programs, plantings, and simple attention to manicured lawns. Quality grounds do not take a lot of money, but they certainly take some work and an attitude of pride and campus self esteem. I hope you notice—and as you do—take a moment to compliment our grounds crew and also the crews which keep our buildings clean and comfortable. They, like all of our facilities staff, work hard every day to ensure that we have a campus which is pleasant, safe, comfortable, and inviting to visitors. *Remove Slide 17.*

Slide 18.

Parking

Everyone's favorite subject is parking. Our parking challenge is more one of convenience rather than quantity of available spaces. Over the last five years, we have added 1,220 spaces. We are in the process of losing 342 spaces in the Diddle lot, along Virginia Garrett Avenue, and in the Snell Hall lot. The net gain is, therefore, 878 spaces. There will be approximately 980 additional spaces added in for the next six months. As part of the bond issue for the renovation of Diddle Arena, we will be putting \$2.3 million into parking improvements mainly in the Creason Drive lot at the south end of the campus and in the Diddle lot itself. A significant new commuter lot has been created for our use by the SKyPAC Board in the block at Kentucky Street, 14th Street, and Adams Street. These efforts, combined with past and future efforts of our Parking and Transportation Committee, are resulting in a total net increase of 1,330 parking spaces. Few of them are next to your building, but we are addressing the problem without compromising the physical character of the campus. *Remove Slide 18.*

Closing

Slide 19.

We are a university blessed with considerable talent. We are making considerable progress, but we have great challenges. In the coming year, we will do our best to achieve new revenue, to meet state budget cuts, if necessary, and to fund increased compensation. We will make enhancements to our curriculum and to our academic structures that allow us to continue to add value for a most reasonable cost, and we will deal with those issues not currently on our radar screen but which will surely surface as they always do in any given academic year. We have much to brag about and be proud of, but we are a long way from being problem free. I am proud of our University Senate, and the leadership it provides. I am also proud of the manner in which the Senate works with the Budget Council, our Staff Council, and with our Administrative Council to focus on priorities and address issues before they become problems.

I am personally very proud of what we have been able to achieve over the last five years, but I want you to know that I consider anything we have done over the last five years to simply be a precursor to what I believe is possible over the next five years. I've said many times that I believe Western's best days are ahead. If we can solve some of these funding challenges and get some of this construction behind us, I absolutely believe we have positioned ourselves to enjoy Western's best days.

I'm proud to be part of this university family. I cannot be more encouraged and enthusiastic going into this academic year. I pledge to sustain a high level of energy; to share the Western spirit with as many groups and people throughout this state and extended region as possible; to celebrate our academic, student life, and athletic successes exuberantly; and to work diligently behind the scenes or out in front, whichever is needed to improve our capacity. I will fight for what is right and best for Western and represent you in the best way I can. We will make some mistakes, particularly with so much going on. Patience and persistence, however, will ensure that our successes continue to accumulate and our compromises are minimized.

Thank you for what you do every day. Thank you for what you do to provide encouragement and support for the tasks on which I am focused. I value your friendship, your collegiality, your spirit, and your passion for this university. It may sound contrived or even peculiar to state that in a year when we get no additional state funding and the economy is a constant struggle, and when the fear of international terrorism has added stress to our lives, I can stand here and state that this promises to be one of the most exciting and progressive years in our university's history. But that's precisely how I define this moment in time for us. I said last year that we are on the cusp of great things. That greatness awaits as we complete things we've begun and sets the stage for the national prominence to which our *Challenging the Spirit* strategic plan is aimed.

Thank you for your attention this morning. Let's have a terrific year. I look forward to conversations, E-mails, social and professional interactions, and visits with each of you as FY 02-03 unfolds. Thank you.

Presentation of Three Awards:

1. President's Award for Diversity
2. President's Award for Economic Development
3. Spirit of Western Award